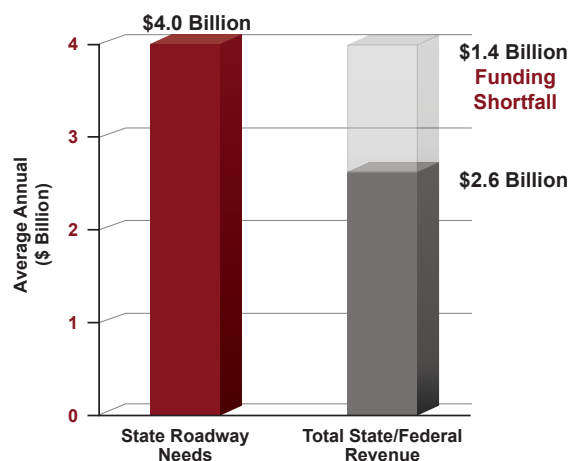


# PAYING FOR THE I-80 VISION

Every year, the Iowa Department of Transportation (DOT) takes care of Iowa's highway and transportation system. This includes maintaining, rebuilding, and as funding allows, expanding the state's roads and bridges. But there is not enough funding to meet all of Iowa's needs. We must therefore prioritize projects across the state.



## 20-YEAR IOWA FUNDING ANALYSIS



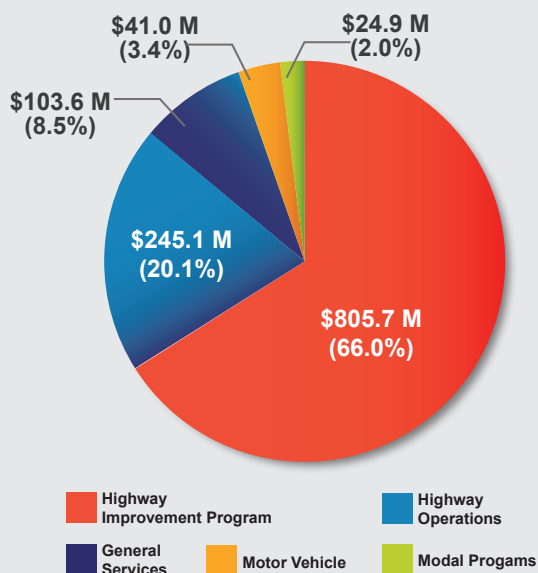
SOURCE: 2016 ROAD USE TAX FUND (RUTF) STUDY

## Iowa DOT Funding Sources

Funding comes from multiple sources including state and federal funding. State funding primarily comes from fuel taxes and fees. Funding allocated to Iowa from the federal fuel tax is used for routes on the National Highway System, including the Interstate. The Iowa DOT commits a portion of these funds to the Interstate System for improvements and stewardship – the primary source of funding for the Vision.

## Iowa DOT Funding

### FY2018 IOWA DOT PROGRAM \$1.22 BILLION



## Iowa Funding Values

Iowa has traditionally utilized a pay-as-you-go philosophy to deliver its transportation system. The goal is to use existing revenue and avoid debt financing. Over the years, this approach has served Iowa well.

In 2012, the following funding principles were documented in the Governor's Transportation 2020 Citizens Advisory Council:

- Restrict new revenues for only road and bridge improvements.
- Streamline state and local governments for efficiency.
- Preserve existing funding sources which tie use with fee.
- Provide new revenue methods that are fair, equitable and stable.
- Maintain Iowa's long standing tradition of pay-as-you-go program delivery.



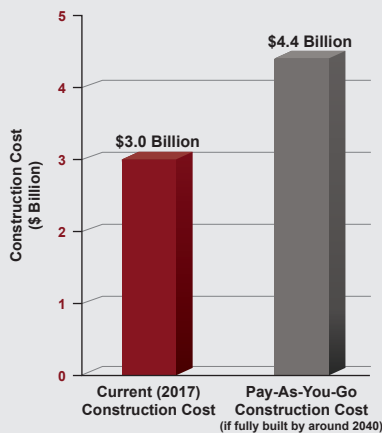
## Delivering the Vision with Existing Funding

If we built the I-80 Vision today it would cost \$3.0 billion. However, it will be built over time, on a pay-as-you-go basis, as funding is available. Assuming around three quarters of interstate funds (\$6.1 billion) are dedicated, it would take nearly twenty years to complete - sometime after 2040. Built in phases over time, the total construction cost increases due to inflation, and during this time, funding for other needs across Iowa would be limited. Moving forward, we will continue to assess the many important needs across Iowa to determine how best to spend our limited resources.

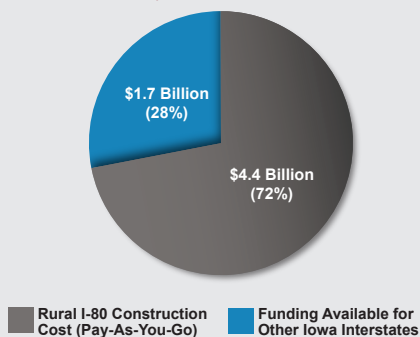
### Iowa DOT's pay-as-you-go approach to delivering the I-80 Vision:

- Build in phases as available funding allows.
- Schedule projects based on need.
- Coordinate projects with routine maintenance and rehabilitation.
- Adapt to changes due to vehicle automation.
- Adapt to new technologies and changing behaviors.

**COST OF CONSTRUCTING I-80 ACROSS IOWA (RURAL PORTION)**



**TOTAL INTERSTATE FUNDING (2018-2040) = \$6.1 BILLION**



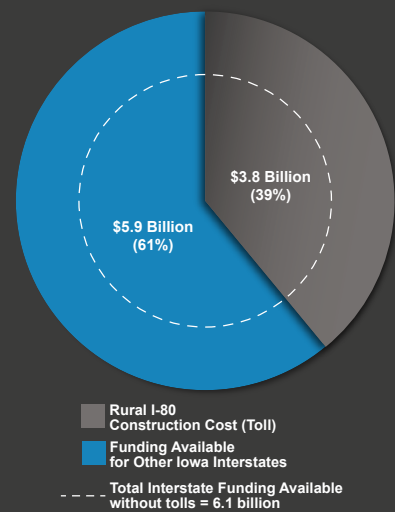
**Note:** The above charts illustrate the impacts on construction costs and available funding for an assumed Vision completion date of around 2040. This assumption is for illustration purposes only and is not a planned commitment of the Iowa DOT.

## An Alternative Funding Approach

The Iowa DOT has a fiduciary responsibility to Iowans to consider all reasonable funding options, such as tolling. This funding concept is gaining national consideration as a funding mechanism for the Interstate System. If enacted, tolls would provide a new and dedicated funding source to pay for the Vision and maintain I-80 into the future while preserving existing interstate funds to better serve all of Iowa. While a possible future option, tolling I-80 is not currently planned and would require state and federal legislation. In the future, we will continue to assess funding options and monitor federal policy changes and incentives.

I-80 Tolling Benefits	I-80 Tolling Challenges
New funding source dedicated to Vision	Debt financing of new revenue
Pays for all future maintenance	Some traffic would divert to other routes
Constructs the Vision much sooner	Public acceptance
Improves user cost equity statewide	Requires new state and federal legislation
Reliable and stable long-term funding	Not as administratively efficient as fuel tax

**TOTAL INTERSTATE FUNDING WITH I-80 TOLLING OPTION (2018-2040) = \$9.7 BILLION**



**Note:** Toll revenue would pay for I-80 operations and maintenance



### Tolling Considerations

### Equity

We estimate that out-of-state drivers generate 20 percent of total travel on Iowa's roadways but provide only 13 percent of state road revenue. With tolling, all I-80 vehicles regardless of residency would contribute equally and equitably.